

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

April 19, 1991



ALL-COUNTY INFORMATION NOTICE NO. I-41-91

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: ADDITIONAL COST REDUCTION PLAN INFORMATION AND STATUS
OF PENDING COURT CASES

The purpose of this letter is to transmit additional information necessary for the completion of Greater Avenues for Independence (GAIN) cost reduction plans and to provide you with information on the current status of pending court cases.

COUNTY COST REDUCTION PLAN

As indicated in All-County Letter (ACL) 90-115, Counties that intend to continue or implement caseload intake limitations during FY 1990/91 must submit a cost reduction plan to the State Department of Social Services (SDSS) for approval. As also indicated in ACL No. 90-115, County "phase-in" plans are no longer valid as a result of Assembly Bill (AB) 312. Consequently, Counties in pre-AB 312 "phase-in" plans are required to submit cost reduction plans, as necessary, which meet the new AB 312 requirements.

With the continuing funding limitations in the GAIN Program, cost reduction plans will probably be necessary in many Counties. The following suggestions are being offered to help ensure that the approval process for reduction plans will be as expeditious as possible, while still meeting the legal requirements associated with these plans:

- a) Caseload reduction plans should be as specific as possible in describing affected groups. In some cases, Counties may not need to stop serving an entire priority group. Reduction plans may therefore be approved which limit services to part of a priority group. For example, a County could serve Aid to Families with Dependent Children - Unemployed Parent (AFDC-U) recipients in a given priority group without serving AFDC-FG members of that group. However, services cannot be denied/withdrawn from individuals in a higher priority group until services have been denied/withdrawn from all individuals in lower priority groups.

- b) If the County is not sure whether the initial reduction plan is too little or too much of a caseload limitation, the plan should include alternative scenarios for additional reductions or increases in intake. Prior approval of these alternatives by the County Board of Supervisors and SDSS will allow the County Welfare Departments (CWDs) to implement them, in the event they become necessary, without submitting a new cost reduction plan. The CWDs would only have to notify their GAIN Operations analyst of the need to implement the additional measures.

STATUS OF COURT CASES

We anticipate that retroactive benefits will have to be provided during FY 1991/92 for the court cases listed below.

Crary vs. SDSS

Class action suit filed by Western Center on Law and Poverty (WCLP) on or about December 15, 1989.

Basis

The plaintiffs maintained that some Counties, based on instructions from SDSS, limited reimbursement for transportation costs or imposed other limitations on reimbursements in violation of statutory requirements.

Status

On August 3, 1990, the Sacramento Superior Court ruled in favor of the plaintiffs. Subsequently, SDSS issued ACL No. 90-86 on September 12, 1990, instructing Counties to stop applying transportation caps in reimbursing GAIN participants for authorized transportation costs. In addition, SDSS, in cooperation with the County Welfare Directors Association, developed a County task group to assist with implementing the decision. Currently, SDSS is working with the plaintiffs' attorneys and the County task group to develop procedures for identifying the harmed classes of participants and for notification and issuance of retroactive payments. The period of retroactivity will go back to the County's GAIN start date. It is likely that a decision will be made on retroactivity and instructions issued to Counties during FY 1991/92. The fiscal impact on individual Counties will vary depending on the extent to which the County imposed limits on the amount paid for GAIN-related transportation costs.

Jacobson vs. McMahon

Filed by WCLP on May 9, 1990. This is a class action lawsuit.

Basis

The plaintiffs maintain that some Counties inappropriately applied the two-year limit for self-initiated programs (SIPs) under GAIN.

Status

On July 26, 1990, the SDSS issued ACL No. 90-68 with interim instructions to cease applying the two-year limit when approving SIPs. With the implementation of AB 312 on October 1, 1990, the two-year limit is no longer an issue.

The SDSS and WCLP have reached agreement on the following list of affected classes and proposed remedies. This is for your information only. You will receive a separate letter with instructions for implementation.

- (1) All persons whose SIPs were initially disapproved solely on the basis that they could not be completed within two years, who chose to continue in their programs, refused to participate in GAIN and were subsequently sanctioned.

Remedy:

- o Restore AFDC benefits lost due to the imposed sanction.
 - o Provide supportive services (child care, transportation, ancillary) from the date of denial of the SIP for up to two years for persons with proof of expenses. Allow self-certification for proof of expenses.
 - o Person must have been receiving AFDC, or have been otherwise eligible except for the sanction, during the time period for which retroactive supportive services are paid.
- (2) All persons for whom the SIP was initially approved, but not completed when they reached the two year limit if they continued to participate in the SIP, refused to participate in further GAIN components which would interfere with continuation of the SIP, and were sanctioned.

Remedy:

- o Restore AFDC benefits lost due to imposed sanction.
 - o Consistent with the provisions of ACL No. 90-68, the individuals may be found to have good cause for not participating in GAIN if such participation would interfere with a continuation of the SIP.
- (3) All persons who quit SIPs to participate in GAIN in order to avoid sanction based upon either the initial disapproval or reaching the two year limit without completing the program. Providing relief for this group would be limited to those still on aid who were adversely affected by this policy on or since June 1, 1989.

Remedy:

- o Allow adversely affected participants the option to re-enroll in the SIP that was interrupted. If they are still in GAIN, they may quit their current GAIN assignment in order to re-enroll.
 - o Grant supportive services (child care, transportation, ancillary) for up to two years from the date of SIP resumption for the participants in this group whose SIPs were initially disapproved solely on the basis that the program would take longer than two years to complete.
- (4) Persons who were exempt from GAIN registration, volunteered to participate, and whose SIP was not approved solely because of the two year time limit. This does not include persons in Counties which were not accepting volunteers into GAIN at the time.

Remedy:


- o Prospective payments of supportive services for up to two years for persons who did not drop out and are still in their program.
- o Persons must continue to be on AFDC in order to receive supportive service benefits.
- o No case search or individual notification would be required. Notification would be accomplished through posters in County welfare offices, GAIN offices, community colleges, and four-year colleges.

- o Verification must be available of the claimant's contact with the County. Verification shall include County phone records and logs or, if the County does not have evidence to the contrary, self-certification, under penalty of perjury, by the participant.
- o Verification must be available that the person was attending a SIP that was approvable at that time except for the two year limit.

We will keep you apprised of further developments related to these lawsuits, particularly with regard to steps that must be taken to identify, locate, and provide retroactive benefits to participants in the harmed classes.

Again, we would like to remind Counties that cost reduction plans should be approved by County Boards of Supervisors and SDSS before the reductions begin.

We appreciate your cooperation. If you have any questions regarding this letter, please contact your GAIN and Employment Services Operations Bureau Analyst, at (916) 324-6962.


FOR DENNIS J. BOYLE
Deputy Director